

**COST REIMBURSEMENT PROCEDURES**  
**MONTROSE**  
**JUNE, 2001**

**REIMBURSEMENT OF PAST COSTS**

1. The following factors guide the reimbursement of past damage assessment costs:

- a) cap costs at \$35 million
- b) pro rate costs among trustees if past costs exceed \$35 million
- c) include all assessment costs (that is there would be no exclusions of costs based on court rulings)
- d) exclude interest
- e) exclude litigation support costs
- f) use new (and lower) NOAA overhead rates
- g) include NPS vessel costs.

2. Any expenditure in the updated Rubino cost report will be considered a reasonable cost without further examination.

3. Once the updated Rubino cost report is completed, each trustee council member and members of this committee will be given a copy of the report. Each agency will have two months from date of receipt of this report to determine whether other, legitimate costs were left out.

4. Any agency wishing to supplement its costs has an additional two months (which can be extended by the concurrence of all trustee council members) to provide the additional documentation. Additional documentation shall consist of time sheets, invoices, travel vouchers, etc. If the supporting documentation does not clearly indicate that the work was done for the Montrose damage assessment, there must be an accompanying affidavit so indicating. An affidavit without some form of supporting documentation may be considered insufficient. The additional documentation will be sent to the cost committee for its review. Should the cost committee disallow any cost, it will explain why the cost was disallowed and give the submitting agency an opportunity to provide additional justification for that cost. The intent is to have sufficient documentation to demonstrate to the public that the reimbursement is justified.

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**FUTURE COSTS**

1. In-house costs associated with preparing for and attending

trustee council meetings or meetings of working groups or committees formed by the trustee council or costs associated with completing tasks assigned by the trustee council are reasonable costs related to restoration and are recoverable.

2. If a trustee agency wishes advance funding to support in-house activities related to Montrose restoration, it will provide a projected budget for a set time period (not to exceed one year) for trustee council approval. The projected budget will consist of line item estimates (i.e., travel to four trustee council meetings; labor for two GS-5 techs; etc.). At the end of the budget time period approved by the trustee council, the trustee agency will provide cost documentation supporting the expenditure of the funds. If funds are not completely exhausted by the end of the time period, the money can be used to cover in-house costs for the next time period. There will be no limit on the number of advance funding requests that can be made during the time period required to complete restoration.

3. Each trustee agency will establish a system to track restoration related costs. Regardless of the system adopted, there must be some type of contemporaneous notation<sup>1</sup> that the cost is for Montrose restoration. The goal is not to impose unnecessary paperwork on a trustee, but to permit an independent auditor to certify that such costs were Montrose related. If a trustee agency is unsure whether its proposed cost tracking system is acceptable, that trustee agency should contact the cost committee to discuss the system.

4. Agencies requesting reimbursement of past costs should submit such request at least once a year, if not more frequently.

5. Whether an agency is justifying expenditures of advanced money or seeking reimbursement of costs, it must submit specific supporting documentation such as time sheets, travel vouchers, invoices, etc. The cost committee will review that documentation within one month of receipt. Should the cost committee disallow any cost, it will explain why the cost was disallowed and give the submitting agency an opportunity to provide additional justification for that cost.

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<sup>1</sup>A unique tracking number is one possibility. If an agency cannot assign such a number, there needs to be a contemporaneous notation showing, for example, that the travel was for a trustee council meeting or that five hours were spent reviewing a Montrose restoration plan.